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Revelstoke Companies Ltd.

1974 Annual Report





**BRITISH
COLUMBIA ***

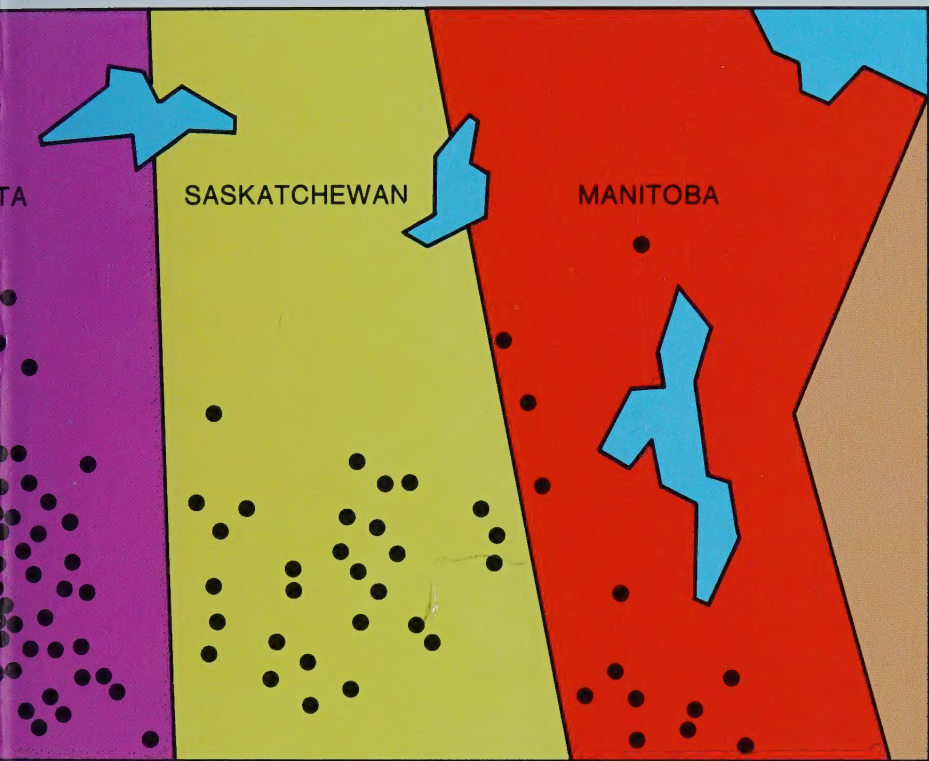
- Cranbrook
- Creston
- Dawson Creek
- Duncan
- Fort St. John
- Ladysmith
- Nanaimo
- Parksville
- Port Alberni
- Radium
- Victoria
- White Rock

ALBERTA

- Acme
- Airdrie
- Alix
- Athabasca
- Bentley
- Brooks
- Calgary
-

- Camrose
- Carstairs
- Castor
- Coronation
- Crossfield
- Daysland
- Didsbury
- Drumheller
- Eckville
- Edmonton
- Grande Prairie
- Hanna
- Hardisty
- High River
- Holden
- Innisfail
- Lacombe
- Lac La Biche
- Legal
- Lethbridge

Where We Are



- Lougheed
- Medicine Hat
- Nanton
- Okotoks
- Olds
- Peace River
- Picture Butte
- Ponoka
- Red Deer
- Rocky Mtn. House
- Sentinel
- Sundre
- Sylvan Lake
- Taber
- Two Hills
- Vauxhall
- Vegreville
- Vermilion
- Viking
- Vulcan
- Wainwright
- Wetaskiwin
- Whitecourt

SASKATCHEWAN

- Battleford
- Birch Hills
- Cabri
- Canora
- Cudworth
- Davidson
- Elrose
- Fox Valley
- Gull Lake
- Humboldt
- Leader
- Lumsden
- Maidstone
- Meadow Lake
- Melfort
- Ponteix
- Preeceville
- Prelate

- Prince Albert
- Regina
- Rosetown
- Rosthern
- Saskatoon
- Swift Current
- Tisdale
- Unity
- Watrous
- Yorkton

MANITOBA

- Baldur
- Boissevain
- Brandon
- Cypress River
- Dauphin
- Flin Flon
- Hamiota
- Morden
- Portage la Prairie
- Swan River
- The Pas
- Thompson
- Virden

* On Vancouver Island, the Company operates under the name of Stewart & Hudson Ltd.

What We Do

Revelstoke operates 107 retail outlets throughout Western Canada, serving mainly retail customers but also professional buyers, such as tradesmen and builders. Each of these stores constitutes a combination home improvement centre, hardware store, lumber yard, building material dealer and retail outlet for electrical, plumbing and heating equipment.

Revelstoke also produces redi-mix concrete at 18 plants in Alberta, Saskatchewan and British Columbia, and manufactures lumber at four mills in Alberta and one mill in British Columbia. The concrete plants supply builders, local industries, municipalities, homeowners and farmers. The lumber mills act as a major source of supply for the Company's retail outlets, with the remainder of their production either sold in Canada or exported to the United States.

Revelstoke's management is committed to having the best managed company of its size and kind in Canada, to serving and satisfying an ever-increasing number of customers, and to achieving a consistent increase in the profitability of the Company and the return on its shareholders' equity. It is hoped that Revelstoke's customers, suppliers, employees and shareholders will all share in the benefits of having the Company realize these goals.

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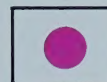
Where We Are



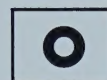
Store



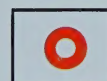
Concrete Plant



Lumber Mill



Head Office



Prebuilt Plant

* On Vancouver Island, the Company operates under the name of Stewart & Hudson Ltd.

REVELSTOKE COMPANIES LTD.

Financial Highlights*

For The Year Ended December 31.

1

		Change 1974 - 1973	1974	1973
TOTAL DOLLARS:				
Sales.....	+	27.2%	\$80,343,318	\$63,170,831
Pre Tax Earnings.....	-	24.2%	\$ 4,842,936	\$ 6,386,970
Income Taxes on Earnings.....	-	21.5%	\$ 2,384,540	\$ 3,037,743
Net Earnings for Shareholders.....	-	26.9%	\$ 2,435,119	\$ 3,332,146
Cash Flow.....	-	27.2%	\$ 3,907,694	\$ 5,364,260
Common Share Dividends Paid.....	+	24.9%	\$ 382,753	\$ 306,453
Earnings Retained & Reinvested.....	-	33.6%	\$ 1,924,843	\$ 2,896,994
Capital Expenditures.....	+	9.2%	\$ 2,386,831	\$ 2,184,914
PER SHARE:				
Sales.....	+	20.0%	\$41.88	\$34.89
Earnings — Total.....	-	31.6%	\$ 1.21	\$ 1.77
— Diluted.....	-	31.8%	\$ 1.18	\$ 1.73
Cash Flow.....	-	31.1%	\$ 2.04	\$ 2.96
Common Dividends Paid.....	+	17.7%	\$.20	\$.17
Earnings Retained & Reinvested.....	-	36.9%	\$ 1.01	\$ 1.60
PERFORMANCE MEASUREMENTS:				
Asset Turnover (Sales ÷ Assets).....			1.84	1.88
Return on Sales (Net Earnings ÷ Sales).....		x	3.03%	x 5.27%
Return on Assets (Net Earnings ÷ Assets).....		=	5.59%	= 9.92%
Leverage Factor (Assets ÷ Equity).....		x	2.40	x 2.17
Return on Shareholders' Equity (Net Earnings ÷ Equity).....		=	13.43%	= 21.50%

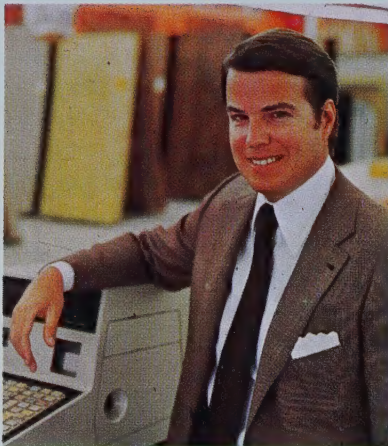
* Earnings per share are calculated on the weighted average number of shares outstanding during the year and after deducting preferred dividends. Capital expenditures are less the proceeds of assets disposed of during the year.

Performance measurements are calculated using the asset and shareholders' equity balances as at the beginning of each year.

Certain 1973 figures have been restated to conform with 1974 presentation.

President's Report

"Two Steps Forward – One Step Backward"



REVIEW OF 1974

Revelstoke's combined operations produced sales of \$80,343,000 and earnings of \$2,435,000 in 1974. This compares to sales of \$63,171,000 and earnings of \$3,332,000 in 1973.

Earnings per share in 1974 amounted to \$1.21 after deducting preferred dividends, compared to \$1.77 in the previous year. During 1974, Revelstoke's common shareholders received dividends of \$0.20 per share in comparison to \$0.17 per share in 1973.

While there may be some disappointment on the part of shareholders in that Revelstoke did not increase its earnings in 1974, it should be noted that in spite of the fact that the Lumber Division experienced an operating loss of \$1,632,000 compared to before tax profits of \$1,664,000 in 1973, the Company experienced the second best year in its history from the standpoint of overall corporate performance. On the other hand, both the Retail and Concrete Divisions had an excellent year in 1974 and continued their impressive growth in sales and earnings. In short, 1974 can be characterized as a year when Revelstoke took "two steps forward and one step backward" in terms of the performances of the Company's three Divisions.

WHAT WE DO

Creating, serving and satisfying customers represents the single most important external task of Revelstoke's management and employees. More than anything else, we strive to be customer-oriented, recognizing that in the final analysis "the customer is boss." In short, we are very aware that the existence and prosperity of Revelstoke depends on how good a job we do in looking after our customers' needs, tastes and problems.

Revelstoke consists of three inter-related Divisions which operate a total of 130 stores, concrete plants and lumber mills throughout Western Canada. These Divisions support and complement each other, with the lumber mills serving as a major source of supply for the stores, the concrete plants and stores sharing many common customers, and the local concrete plant and store having joint management in 14 locations.

Revelstoke's Retail Division accounted for 73% of the Company's total sales and a majority of its earnings in 1974. It is expected that this Division will comprise an ever-increasing proportion of the Company's total business, especially in view of the long-run growth potential of the do-it-yourself home improvement retail market. As lumber represents the most important product sold by the stores, Revelstoke's Retail Division benefits from having a significant amount of backward integration, with the Company's own lumber mills providing about one-half of the lumber sold by the stores.

The Concrete Division continued its growth in sales and earnings in 1974 as a result of improving its production efficiency and taking advantage of the strong demand for concrete in almost all of the markets served by the Company's plants. In marked contrast to 1973, the Lumber Division had an exceedingly difficult year as lumber prices tumbled below the break-even level for manufacturers, and fires destroyed the Company's two smallest sawmills in the first half of 1974.

The operations of Revelstoke's three Divisions are each reviewed in greater detail in subsequent sections of this Annual Report.

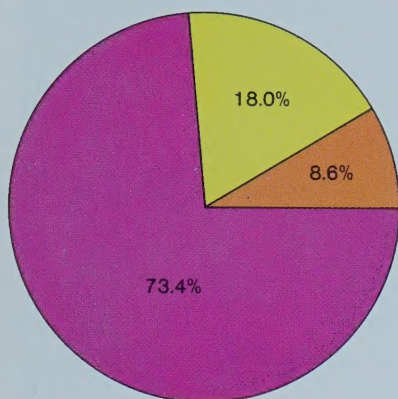
OUR MARKETS

Revelstoke's stores, plants and mills are all located in Western Canada. In 1974 approximately 52% of the Company's total sales were generated from operations based in Alberta, 24% in British Columbia, 17% in Saskatchewan and 7% in Manitoba.

Alberta, the Company's most significant market, should enjoy an exceptional future in view of the province's economic outlook and the "way of life" Alberta offers its residents. Revelstoke already operates in 50 different towns and communities in Alberta, and we intend to increase our strong market position in this province even further in the coming years.

British Columbia represents Revelstoke's second largest market with operations in 12 different communities. While our stores and concrete plants in British Columbia generally increased their sales and profits in 1974 in comparison to 1973, most of the retail outlets began to experience a considerable slowdown in business activity in the late fall of 1974. This situation has carried over into the first quarter of 1975 but is expected to improve by the end of the year.

SALES BY DIVISION 1974



Retail
 Concrete
 Lumber

Production at the Company's large lumber mill in Radium, B.C. has had to be curtailed for the last 12 months as a consequence of depressed lumber prices.

In 1974 both Saskatchewan and Manitoba continued to enjoy record prosperity, primarily as a result of high farm incomes which have had a strong impact on almost all sectors of the economy in both provinces. Consequently, Revelstoke's retail and concrete operations in 28 communities in Saskatchewan and 13 in Manitoba have virtually all benefited from strong demand for their products and services.

Apart from supplying Revelstoke's own stores and customers throughout Western Canada, the Company's mills also ship lumber to Eastern Canada and the United States. In both cases, the demand for lumber in 1974 was dramatically affected by a substantial reduction in housing starts. Although lumber prices have shown some strengthening in the

first three months of 1975, we do not anticipate a significant increase in lumber prices until the fourth quarter of 1975 when it is probable that North American residential construction activity will begin to recover. Other factors which could have a material impact on lumber prices in 1975 include the forthcoming June labour negotiations affecting the west coast forestry industry, and a possible revival in overseas demand.

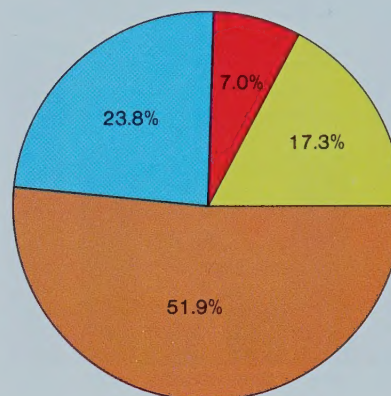
OUR MANAGEMENT

To a large extent, Revelstoke combines a decentralized form of management with centralized reporting and control systems. Each of the Company's three Divisions is organized as a separate profit centre as are the individual stores, plants and mills within each Division. As an example, if any of the stores are able to purchase lumber at better prices from independent sources than from one of the Company's own mills, these stores are authorized to do so in every instance. In this manner, every individual operating unit of the Company is accountable for its own profit performance.

The individuals involved in managing the three Divisions and, in turn, the persons responsible for managing each store, plant and mill, share in the profits generated by the operations directly under their control. In this regard, the Company recognizes the importance of giving its Managers "a piece of the action," just as if they were in partnership with the Company and in business for themselves.

Revelstoke's management philosophy is further described on the inside back cover of this Annual Report in a statement of our general corporate objectives. These objectives serve to establish a

SALES BY PROVINCE 1974



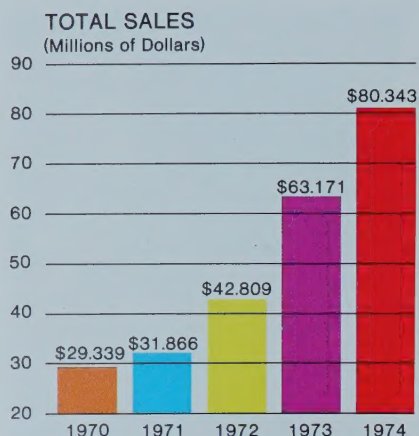
Alberta
 British Columbia
 Manitoba
 Saskatchewan

framework for management decision-making, given the underlying principle of building a strong and viable long-term business.

FINANCIAL POSITION

In 1974 Revelstoke's total assets increased to \$49,692,000 compared to \$43,569,000 a year earlier. During the same period, total shareholders' equity increased to \$20,054,000 in comparison to \$18,127,000 at the end of 1973. The Company's working capital position remained at virtually the same level and at the end of 1974 was \$10,131,000.

Revelstoke's capital expenditures in 1974 amounted to \$803,000 in the Retail Division, \$1,422,000 in the Concrete Division, and \$1,309,000 in the Lumber Division. For 1975 the Company is budgeting capital expenditures of \$1,300,000 in the Retail Division, \$270,000 in the Concrete Division, and \$650,000 in the Lumber

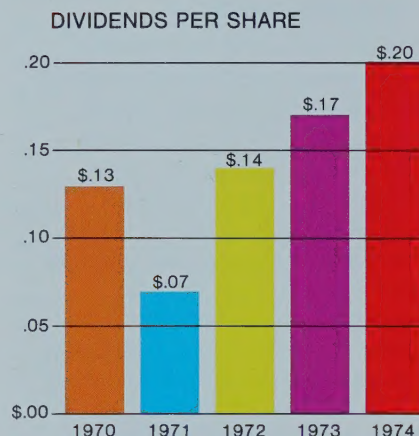
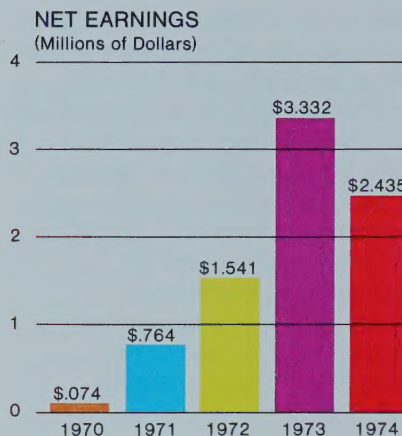


Division. As a general policy, Revelstoke's larger new stores are usually leased and most of the Company's mobile equipment is financed on a sale and lease-back basis.

Since 1961, Revelstoke has financed its growth almost entirely through internally generated funds and short-term borrowings. In the last four years, the Company has tripled in size with a similar increase in profitability. In order to lessen Revelstoke's reliance on short-term borrowings and to place the Company in a position to continue its aggressive expansion program, management is holding discussions with underwriters concerning the possibility of raising a substantial amount of long-term debt some time in 1975. It is highly unlikely that this financing will involve any dilution on the part of Revelstoke's common shareholders.

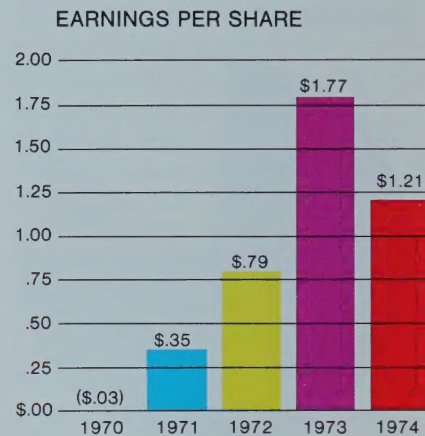
COMPANY OWNERSHIP

In 1961 Revelstoke became a Canadian owned public company when the controlling shareholders, an American group, sold their shares as part of a public underwriting of common and preferred shares in Canada. Ten years later, Venture Funding Corporation Limited, a private investment holding company, acquired approximately one-half of Revelstoke's outstanding common



shares from certain members of management who were about to retire, a major shareholder and a subsequent public tender offer. Venture Funding itself is 65% owned by Canadian shareholders, with the remaining 35% being held by Canadian based but American and European owned investment firms. Venture Funding is Canadian controlled and not a "non eligible person," as defined by the Foreign Investment Review Act of the Canadian federal government.

The remainder of Revelstoke's common shares are held by Canadian institutional and individual shareholders, with the exception of approximately 1.1% of the shares which are held by U.S. and foreign shareholders. Both the Company's common shares and preferred shares are listed on the Toronto Stock Exchange.



OUTLOOK FOR 1975

On an overall corporate basis, Revelstoke should experience an increase in sales and earnings in 1975 compared to 1974, given the excellent outlook for Alberta's economy, the continued prosperity of Western Canada's farmers, and the impact of the steps taken over the last three years to strengthen and expand the Company's retail business. In addition, Revelstoke should benefit from an increase in lumber prices if North American residential construction revives in the latter part of 1975 as expected.

On behalf of Revelstoke's Board of Directors and shareholders, I want to express our appreciation to the Company's 1,300 employees whose efforts and dedication made it possible for Revelstoke to have a highly satisfactory year, in spite of the difficult circumstances confronting our Lumber Division. All of us at Revelstoke also want to thank our customers, suppliers and friends for their support and confidence during the past year.

Steele Curry

STEELE CURRY
President

April 24, 1975

Revelstoke's Retail Business

5

"In The Right Business In The Right Markets At The Right Time"



REVIEW OF 1974

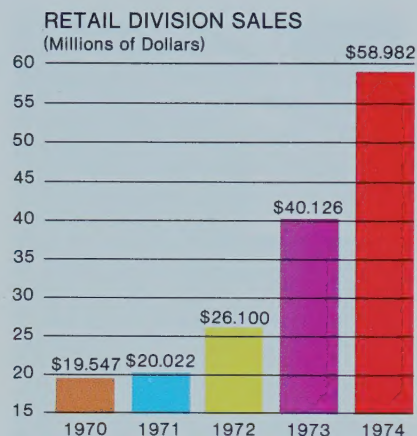
Revelstoke's Retail Division, the most significant part of the Company's operations, had total sales of \$58,982,000 in 1974, an increase of 47% compared to \$40,126,000 in the previous year.

Revelstoke's 107 retail outlets are located throughout Western Canada, with 54 in Alberta, 29 in Saskatchewan, 13 in Manitoba and 11 in British Columbia. The Company's stores, generally referred to as "home improvement

centres," combine the features of a lumber yard, hardware store, building material dealer, floor covering store and retail outlet for plumbing, heating and electrical equipment. Each outlet consists of a showroom, adjoining warehouse and outside storage space.

OUR CUSTOMERS

The Company's "home improvement centres" serve both do-it-yourself consumers and professional buyers with a complete range of products aimed at providing one-stop shopping for their building and home decorating needs. Revelstoke's retail customers are homeowners, farmers, ranchers and, to a limited extent, apartment dwellers. The professional buyers consist of builders, tradesmen, local industries, institutions and municipalities, all of which usually



require many of the products carried by the Company's stores in the normal course of their operations.

Every Revelstoke store carries an extensive selection of lumber products, paneling, building materials, tools, paint, wallpaper, carpeting, hardware, kitchen cabinets, plumbing and heating equipment, and electrical supplies. A sizable portion of the Company's retail business is also derived from "package sales" of garages, rumpus rooms, fences and prebuilt farm structures such as feeders and granaries.

INDUSTRY TRENDS

During the past three or four years, many sectors of the retail lumber and building material industry have undergone a rapid period of change in terms of marketing and merchandising methods. In particular, the larger chains in the industry, including Revelstoke, accelerated their evolution from primarily being distributors of lumber and building materials into being retailers of all the products used by homeowners to upgrade, expand, repair and maintain their homes.



While reliable statistics are not available in Canada for retail sales of this type, it is estimated that the total retail sales of home improvement, repair and building products amount to about \$3 billion annually in Canada. There is every indication that the retailing of do-it-yourself home improvement products will represent the fastest growing sector of the retail business in the remainder of the 70's. The growth potential of this industry is being stimulated by the increase in leisure time, discretionary consumer income, and new family formations. At the same time, the supply of available tradesmen is decreasing and the cost of employing those tradesmen

who are available is fast becoming prohibitive. In addition, the retail chains in this business and the manufacturers of home improvement products have both adopted much more aggressive marketing tactics to create a growing awareness on the part of homeowners that a great number of do-it-yourself projects can be easily undertaken to improve the quality, size and value of their homes. Finally, the increasing shortage of new homes combined with the rapid rise in housing prices throughout Canada has forced homeowners to renovate and expand their existing dwellings as opposed to buying new homes.

EXPANSION PROGRAM

For the last three years, Revelstoke has aggressively expanded its Retail Division by opening new stores, expanding existing ones, upgrading interior decors and methods of displaying merchandise, increasing advertising and promotional activities, and expanding the number of related products carried by the stores. The Retail Division's expansion program is designed to maximize the sales and profit productivity of the existing stores and to assure that Revelstoke maintains its strong position in the retail home improvement market throughout Western Canada.

During 1974, the Company opened four new stores, expanded five existing stores and closed three of its smallest stores which were operating on a marginal basis.

Following two years of extensive research and planning, Revelstoke opened a large prototype store in Calgary in early 1974 for the purpose of determining the type of store best suited to maximizing sales of do-it-yourself products in major urban markets. Based upon our experience with this store, the



Company modified its thinking in relation to the size and character of its new urban stores and, in January 1975, implemented these findings with the opening of a second store in Edmonton.

During the current year, Revelstoke plans to build approximately ten new stores at existing locations and to complete major renovation programs at a minimum of six existing stores.

FUTURE STRATEGY

In the future, all new stores are going to have the necessary facilities to serve both retail consumers and professional buyers. Revelstoke also intends to specialize in all types of home improvement, repair, and building products. Unlike some of its competitors, Revelstoke is not interested in carrying giftware, housewares, sporting goods and home entertainment products to any significant degree. Basically, management believes that Revelstoke must be at least as meaningful, and preferably more meaningful, than any other retailer in the market place, concerning the product lines carried in the Company's stores.

Management is also convinced that product knowledge will continue to be a critical factor in selling the type of products carried in Revelstoke's stores, and that there are distinct limits to the cash-and-carry approach in our industry. Furthermore, we believe that "value for your money" is every bit as important in the retail home improvement business as it is in most other businesses. Consequently, our stores try to offer their customers the best possible prices on good quality merchandise.

Finally, management anticipates that acquisitions will continue to play an important part in the Company's future expansion program. In this regard, Revelstoke is interested in purchasing other capably managed retailers of lumber, building materials and home improvement products in growing markets.



STEWART & HUDSON LTD.

Revelstoke's Retail Division includes a wholly owned subsidiary, Stewart & Hudson Ltd., which operates six building material and home improvement centres on Vancouver Island in British Columbia. These stores use the Stewart & Hudson name and are managed from their head office in Victoria.

REVY HOMES

In addition to operating stores, Revelstoke's Retail Division also markets single family homes and attached residential dwellings under the name "Revy Manufactured Homes." A customer purchasing a Revy Home has three choices; namely, to assemble the house himself with the prefabricated components and other materials delivered by Revelstoke to his site, to have the Company complete the construction of the house on a "turn key" basis, or to order and have

delivered a house that has already been assembled at one of Revelstoke's two prebuilt factories. Apart from the prefabricated components, the Company's stores carry all of the materials required for the construction and finishing of a Revy Home.

In 1974 Revy Homes accounted for less than 5% of the Retail Division's total sales.

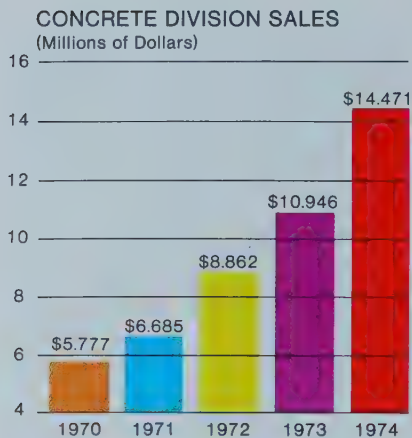
OUTLOOK FOR 1975

Revelstoke's Retail Division is expected to continue to increase its sales and profits in 1975, based upon the excellent outlook for the economy of most of Western Canada, the strong fundamental demand for do-it-yourself home improvement products, and the positive results of the Company's expansion and remerchandising program. While a number of Revelstoke's stores in British Columbia are experiencing a slowdown in business activity, this situation is likely to improve before the end of 1975.

In summary, Revelstoke's management is convinced that the Company's Retail Division is "in the right business, in the right markets, at the right time." With the Company's existing base of operations, experienced personnel and financial resources, Revelstoke is in an excellent position to capitalize on the substantial future growth potential of this dynamic industry.

Revelstoke's Concrete Business

"1974 Was Another Good Year For Our Concrete Plants"



REVIEW OF 1974

Last year was the Concrete Division's most successful year in terms of sales and earnings. Starting with its first plant at Red Deer, Alberta in 1952, this Division now comprises 18 transit and redi-mix concrete plants with 12 in Alberta, four in Saskatchewan and two in British Columbia. At four locations, the Company also has sand and gravel deposits which are used to supply Revelstoke's concrete plants and to sell sand and gravel to other local users. In 1974 the Concrete Division's sales increased 33% to \$14,500,000 compared to \$10,900,000 in 1973. The Division constituted 18.3% of the Company's total 1974 sales and made a significant contribution to Revelstoke's corporate earnings.

Capital expenditures for the Concrete Division in 1974 amounted to \$1,422,000. In addition, mobile equipment purchases of \$850,000 were financed on a sale and lease-back basis.

CONCRETE PRODUCTION AND APPLICATIONS

Concrete, the most versatile of construction materials, consists of cement, sand, gravel and various other required additives which are mixed on a controlled basis in a batch plant. The required volume of concrete is then delivered to the construction site by mixer trucks. Each plant attempts to meet their customers' specific needs with a quality product by utilizing modern batching equipment, trained and experienced operators, and the support of the Division's engineering and quality control staff. The Division presently has a fleet of 122 mixer trucks, having acquired 25 new units in 1974 as replacements and fleet additions.

Revelstoke's plants supply concrete for a wide range of uses including residential patios, driveways, farm building needs, foundations for residential and commercial construction, and government public works programs, as well as special projects requiring the most advanced concrete technology.

OUTLOOK FOR 1975

In 1974 customer service was affected by a cement shortage which occurred in the prairie provinces during the peak construction months. While cement manufacturers are confident that they will be able to meet projected 1975 requirements, the Company is increasing its cement storage facilities at a number of plants in an effort to reduce disruptions in customer service that arise from irregular deliveries of cement.

Revelstoke's Concrete Division continues to be confronted with increased costs for purchasing, servicing and operating its mobile equipment. Other areas of concern include the availability of skilled mixer truck drivers and increases in labour rates, especially in Alberta.



In 1975 the level of construction activity in the Company's markets, particularly in Alberta, should at least equal that of 1974. As a result of higher cement prices, increased raw material costs, and a rise in both wage rates and truck operating costs, Revelstoke is going to have to obtain considerably higher prices for its delivered concrete as the year progresses. The Company's management, however, anticipates that increased volume and more efficient batching and delivery methods will contain the need for higher prices and enable this Division to continue its growth in earnings during 1975.

Revelstoke's Lumber Business

9

"The Mills Had A Tough Year"

REVELSTOKE'S LUMBER MILLS

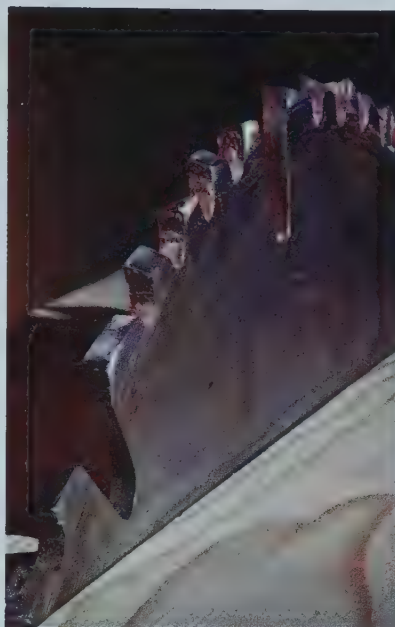
Revelstoke's Lumber Division operates lumber mills at Rocky Mountain House, Sentinel, Sundre and Whitecourt, Alberta, and Radium, British Columbia. The mills manufacture spruce and fir construction lumber which is shipped to Revelstoke's retail outlets, to customers in both Western and Eastern Canada, and to export customers in the United States. The Company's mills provide an important source of supply for Revelstoke's retail outlets, especially in times of difficult supply.

REVIEW OF 1974

Revelstoke's Lumber Division experienced a major reversal in 1974 compared to the reasonably favourable results of 1973. The Division had sales of \$6,890,000 and an operating loss of \$1,632,000 in 1974 compared to sales of \$12,100,000 and an operating profit before taxes of \$1,664,000 in the previous year. Total lumber shipments from the mills in 1974 decreased 24.7% to 76 million board feet in comparison to the 101 million board feet shipped in 1973.

Housing starts in the United States and, to a lesser extent, in Canada experienced a major decline in 1974. This factor, combined with a general slowdown in the economy of Canada and the countries importing Canadian lumber, caused the wholesale lumber market to deteriorate rapidly with prices falling below the breakeven point required by most lumber producers.

In September 1974, Revelstoke's management made the decision to reduce mill operations to as low a level as possible while permitting the Company to retain its most skilled personnel and meet minimum timber quota requirements. On this basis, full

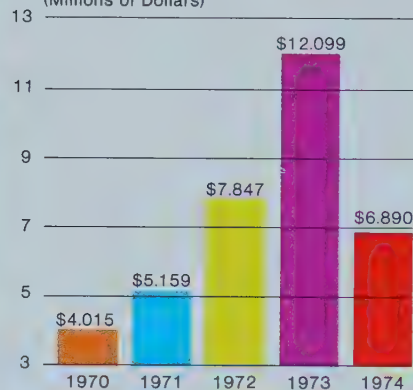


production should be resumed without major delays and start-up costs when the lumber market experiences a sufficient recovery.

Adding to the problems created by the depressed lumber market, fires destroyed the Whitecourt sawmill in January 1974, and the Sundre sawmill and planer mill in June 1974. In both instances, the losses were covered by insurance but created considerable additional expenses for the Division. As the Sundre mill represented a major source of supply for Revelstoke's Alberta retail outlets, the Company decided to rebuild this mill with its start-up scheduled for May 1, 1975.

With depressed conditions in the lumber market and a limited amount of timber available to Revelstoke in the Whitecourt area, reconstruction of the Whitecourt mill has been deferred. However, the Company is continuing to study the various alternatives to produce its quota in this area when market conditions become more favourable. Revelstoke's

LUMBER DIVISION SALES
(Millions of Dollars)



Whitecourt timber holdings represent 9% of the Company's total quotas.

Revelstoke's mills continued to be a major supplier to our retail outlets. In 1974 56% of the lumber purchased by the Company's stores came from the mills in comparison to 41% during 1973.

CAPITAL EXPENDITURES

The Lumber Division's capital expenditures in 1974 amounted to \$1,309,000. Expenditures included completion of the Rocky Mountain House sawmill, installation of a small log line at the Sentinel mill, construction of a post treating plant at the Sundre mill and construction of roads and bridges required to gain access to timber licenses.

This Division's capital expenditures in 1975 will be limited to completing the Sundre mill and meeting essential road building obligations.

OUTLOOK FOR 1975

Since the beginning of 1975, the lumber market has experienced a modest recovery. If this trend continues, prices will be sufficient by mid 1975 to allow restoration of full production. However, a major factor affecting production at Revelstoke's Radium mill could be the expiry on June 30 of the labour contract for sawmill workers in the Interior of British Columbia.

Consolidated Balance Sheet

December 31

ASSETS

	1974	1973
Current Assets		
Cash	\$ 2,204,147	\$ 1,201,471
Accounts Receivable	11,989,244	9,683,507
Inventories, Valued at the Lower of Cost or Net Realizable Value (Note 2)	20,940,653	19,570,456
	<u>35,134,044</u>	<u>30,455,434</u>
Property, Plant and Equipment, at Cost (Notes 1 and 3)	27,846,744	25,486,976
Less: Accumulated Depreciation and Depletion	13,288,642	12,372,992
	<u>14,558,102</u>	<u>13,113,984</u>
Total Assets	<u>\$43,692,146</u>	<u>\$43,569,418</u>

APPROVED ON BEHALF OF THE
BOARD:

Director



Director



LIABILITIES AND SHAREHOLDERS' EQUITY

	1974	1973
Current Liabilities		
Bank Indebtedness	\$ 1,917,823	\$ 2,579,783
Short Term Loans	15,709,130	8,112,184
Accounts Payable and Accrued Liabilities	6,071,572	7,626,991
Income Taxes Payable	341,624	1,190,471
Long Term Debt Due Within One Year (Note 4)	963,000	898,000
	25,003,149	20,407,429
Long Term Debt (Note 4)	3,028,320	4,015,757
Deferred Income Taxes	1,535,247	970,972
Minority Interest	71,701	48,424
Shareholders' Equity		
Capital Stock (Note 5)		
Preference Shares Issued	2,095,780	2,144,980
Common Shares Issued	3,927,505	3,876,255
Retained Earnings	14,030,444	12,105,601
Total Shareholders' Equity	20,053,729	18,126,836
Commitments and Contingent Liability (Note 7)		
Total Liabilities and Shareholders' Equity	\$49,692,146	\$43,569,418

Auditors' Report

To the Shareholders of
Revelstoke Companies Ltd.

We have examined the consolidated balance sheet of Revelstoke Companies Ltd. as at December 31, 1974 and the consolidated statements of current and retained earnings and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the consolidated financial position of the companies as at December 31, 1974 and the results of their operations and the changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Price Waterhouse & Co
Chartered Accountants

April 18, 1975

REVELSTOKE COMPANIES LTD.

Consolidated Statement of Current and Retained Earnings

For The Year Ended December 31

	1974	1973
Current Earnings		
Sales — Retail Division	\$58,981,575	\$40,125,617
Concrete Division	14,471,450	10,946,200
Lumber Division	6,890,293	12,099,014
	80,343,318	63,170,831
Costs and Expenses		
Cost of Sales, Selling, General and Administrative	72,427,989	54,436,181
Depreciation and Depletion (Note 1)	1,515,158	1,386,716
Interest (Long Term: 1974 - \$365,694 1973 - \$274,399)	2,132,680	1,091,614
	76,075,827	56,914,511
	4,267,491	6,256,320
Gain on Disposal of Fixed Assets	575,445	130,650
	4,842,936	6,386,970
Provision for Income Taxes		
Current	1,820,265	2,269,410
Deferred	564,275	768,333
	2,384,540	3,037,743
Earnings before Minority Interest	2,458,396	3,349,227
Minority Interest	23,277	17,081
Net Earnings for the Year	\$ 2,435,119	\$ 3,332,146
Net Earnings Per Common Share (Note 1)		
Basic	\$1.21	\$1.77
Fully Diluted	\$1.18	\$1.73
Gain on Disposal of Fixed Assets Net of Tax, included above	\$0.22	\$0.04
Retained Earnings		
Balance at Beginning of Year	\$12,105,601	\$10,572,869
Additions		
Net Earnings for the Year	2,435,119	3,332,146
	14,540,720	13,905,015
Deductions		
Dividends on Preference Shares	127,523	128,699
Dividends on Common Shares	382,753	306,453
Write Off of Goodwill	—	1,364,262
Balance at End of Year	\$14,030,444	\$12,105,601

Consolidated Statement of Changes in Financial Position

For The Year Ended December 31

	1974	1973
Source of Funds		
Net Earnings for the Year	\$ 2,435,119	\$ 3,332,146
Depreciation and Depletion (Note 1)	1,515,158	1,386,716
Deferred Tax	564,275	768,333
Gain on Disposal of Fixed Assets	(575,445)	(130,650)
Other	(31,413)	7,715
Funds from Operations	3,907,694	5,364,260
Long Term Debt	—	2,000,000
Proceeds on Disposal of Fixed Assets	1,145,876	520,814
Shares Issued	51,250	1,092,250
	5,104,820	8,977,324
Application of Funds		
Fixed Assets	3,532,707	2,705,728
Purchase of Preference Shares	32,040	—
Dividends	510,276	435,152
Long Term Debt	946,907	983,742
Acquisition of Subsidiary Companies (Less working capital at date of acquisition)	—	1,328,804
	5,021,930	5,453,426
Increase in Working Capital	82,890	3,523,898
Working Capital at Beginning of Year	10,048,005	6,524,107
Working Capital at End of Year	\$10,130,895	\$10,048,005
Changes in Components of Working Capital		
Current Assets		
Cash	\$ 1,002,676	\$ 285,791
Accounts Receivable	2,305,737	2,865,481
Inventories	1,370,197	6,030,114
	4,678,610	9,181,386
Current Liabilities		
Bank Indebtedness	(661,960)	189,721
Short Term Loans	7,596,946	1,130,435
Accounts Payable and Accrued Liabilities	(1,555,419)	2,797,086
Income Taxes Payable	(848,847)	845,746
Current Portion of Long Term Debt	65,000	694,500
	4,595,720	5,657,488
Increase in Working Capital	\$ 82,890	\$ 3,523,898

Notes to Financial Statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and all of its subsidiary companies from their effective dates of acquisition. All of the subsidiary companies are wholly owned with the exception of one, Revelstoke-Lafarge Ltd., which is 85% owned. Inter company balances and transactions are eliminated.

DEPRECIATION

	Basis	Rate based on service lives or recoverable reserves
Buildings	Straight-line	2.5% - 5%
Machinery and Equipment	Straight-line	10% - 15%
Logging Access Roads	Unit of Production	Approximately five years
Sand and Gravel Rights and Properties	Unit of Production	Based on estimated reserves
Timber Rights and Leases	Straight-line	5%

NET EARNINGS PER COMMON SHARE

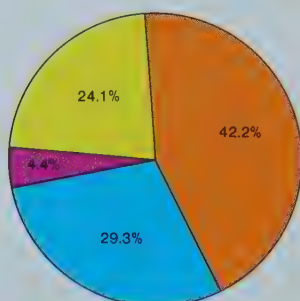
The basic earnings per share are calculated using the weighted average of shares outstanding for the year. Fully diluted earnings per share adjust the basic earnings for outstanding share conversion and option agreements.

NOTE 2 INVENTORIES

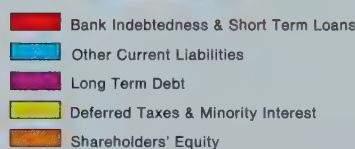
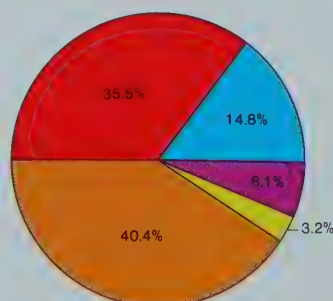
Inventory values by Division are as follows:

	1974	1973
Retail Division	\$15,879,653	\$15,613,761
Concrete Division	918,000	353,231
Lumber Division	4,143,000	3,603,464
	<u>\$20,940,653</u>	<u>\$19,570,456</u>

ASSETS 1974



LIABILITIES & SHAREHOLDERS' EQUITY 1974



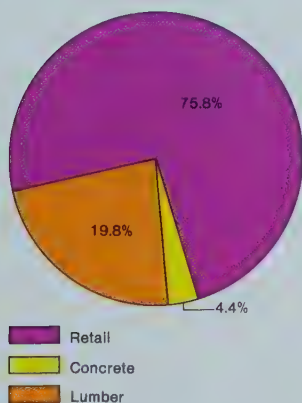
NOTE 3 PROPERTY, PLANT AND EQUIPMENT

	1974		1973	
	Cost	Net Book Value	Cost	Net Book Value
Land	\$ 1,297,857	\$ 1,297,857	\$ 1,303,742	\$ 1,303,742
Buildings	7,536,860	4,497,089	7,474,596	4,661,739
Machinery and Equipment	14,108,026	5,994,203	12,397,446	4,598,904
Logging Access Roads	204,217	1,064,274	1,615,026	848,523
Sand and Gravel Rights and Properties	623,499	471,455	457,811	356,041
Timber Rights and Leases	258,415	1,233,224	2,238,355	1,345,035
	<u>\$27,846,744</u>	<u>\$14,558,102</u>	<u>\$25,486,976</u>	<u>\$13,113,984</u>

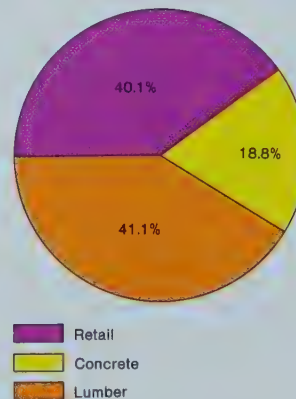
NOTE 4 LONG TERM DEBT

	1974	1973
Sinking Fund Debentures, 6.5% due 1981 (Annual sinking fund requirement \$500,000)	\$1,641,320	\$2,063,757
Bank Loans — unsecured at 1.25% above prime rate (Repayable \$300,000 annually)	1,550,000	1,850,000
8% Convertible Term Notes — Repayable \$200,000 annually or at the option of the holder convertible into common shares of the Company as to \$200,000 principal amount annually at prices ranging from \$16.80 per share in 1975 to \$29.03 per share in 1978	800,000	1,000,000
	<u>3,991,320</u>	<u>4,913,757</u>
Long Term Debt Due Within One Year	<u>963,000</u>	<u>898,000</u>
	<u>\$3,028,320</u>	<u>\$4,015,757</u>

INVENTORY BY DIVISION 1974



FIXED ASSETS BY DIVISION 1974



The trust indenture governing the sinking fund 6.5% 1981 debentures provides that the Company cannot become liable upon any additional funded obligations which in any year prior to September 1, 1981 mature in amounts that exceed the sinking fund payments unless the latter are correspondingly increased.

As a consequence of the bank loans and 8% convertible term notes having maturities aggregating \$500,000 annually, the sinking fund requirements have been accelerated by \$300,000 annually. Part of the 1975 sinking fund requirements were met in 1974.

Aggregate annual maturities for the next five years are as follows:

1975	\$ 963,000
1976 to 1977	\$1,000,000
1978	\$ 700,000
1979	\$ 250,000

NOTE 5 CAPITAL STOCK

PREFERENCE SHARES

The 300,000 authorized preference shares of a par value of \$20.00 each are issuable in series, of which 125,000 have been designated as 6% cumulative redeemable shares 1961 series and are redeemable at \$20.50 plus any accrued and unpaid dividends as at the date of redemption and 9,351 have been designated as 1% non-cumulative redeemable preference shares 1970 series.

The 6% cumulative redeemable shares 1961 series issued and outstanding are as follows:

	1974		1973	
	Shares	Amount	Shares	Amount
Balance, beginning of year	107,249	\$2,144,980	107,249	\$2,144,980
Purchased on open market and tendered for cancellation	2,460	49,200	—	—
Balance, end of year	<u>104,789</u>	<u>\$2,095,780</u>	<u>107,249</u>	<u>\$2,144,980</u>

COMMON SHARES

6,000,000 common shares of no par value are authorized. Common shares issued and outstanding are as follows:

	1974		1973	
	Shares	Amount	Shares	Amount
Balance, beginning of year	1,910,015	\$3,876,255	1,800,015	\$2,784,005
Issued for cash under employee stock options	—	—	15,000	92,250
Issued as partial consideration for shares of subsidiaries acquired	—	—	95,000	1,000,000
Issued for cash under employee stock purchase plan	8,500	51,250	—	—
	<u>1,918,515</u>	<u>\$3,927,505</u>	<u>1,910,015</u>	<u>\$3,876,255</u>

Shares reserved for conversion of 8% Convertible Term Notes	36,982
Shares reserved for employee stock options	13,500
Shares reserved for employee stock purchase plan	38,000
	<u>88,482</u>

At December 31, 1974, options in respect to 13,500 shares at \$6.15 per share remained outstanding, exercisable as to 4,500 shares per year on a cumulative basis.

NOTE 6 REMUNERATION

The remuneration of directors and senior officers in 1974 amounted to \$292,317 compared to \$273,025 in 1973.

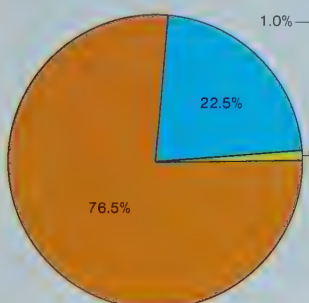
NOTE 7 COMMITMENTS AND CONTINGENT LIABILITY

At December 31, 1974, the Company operated 107 retail branches. The properties relating to 94 of these branches are owned with those relating to the other 13 being leased for terms varying from 5 to 20 years at minimum annual rentals (exclusive of taxes, insurance and other occupancy charges) as shown below. The Company also has equipment under lease for terms varying from 2 to 7 years.

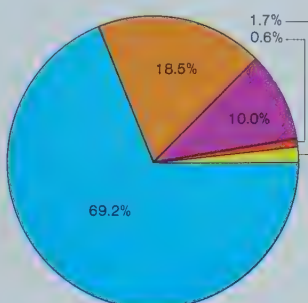
The lease commitments required over the next five years are as follows:

	Properties	Equipment
1975	\$399,534	\$642,615
1976	372,440	646,169
1977	362,972	646,169
1978	347,972	632,970
1979	368,655	532,345

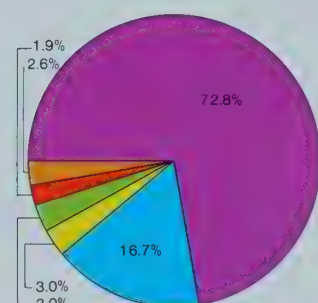
A Statement of Claim has been issued against the Company in the amount of \$225,000. This matter has not progressed to a stage where a valid assessment can be made. Company officials do not believe any significant liability will arise from this claim.

SOURCE OF FUNDS 1974

Operations
Sale of Fixed Assets
Share Capital

APPLICATION OF FUNDS 1974

Fixed Assets
Retirement of Debt
Dividends
Purchase of Preference Shares
Working Capital

BREAKDOWN OF EVERY \$1 SALES 1974

Cost of Sales, Selling & Administration Expense
Personnel Costs
Net Earnings
Income Tax
Depreciation & Depletion
Interest

Our People

"People Make It Happen At Revelstoke"

OUR PEOPLE PHILOSOPHY

In looking to the future, we recognize that our Company will be successful in accomplishing its goals only if we are able to attract, motivate and retain the highest quality of men and women to be found in any field. To do this requires having a special kind of company where every employee knows he or she is performing a meaningful role and where employees are not regarded as numbers, but as individuals, each with his or her own ambitions, personality and character.

The importance of people at Revelstoke is even further highlighted by the fact that a vast majority of the people working for the Company are in contact with our customers on a daily basis. This pertains not just to the sales personnel in our stores, but also to our drivers, concrete dispatchers, warehouse personnel and branch managers, as well as many persons at the Company's head office.

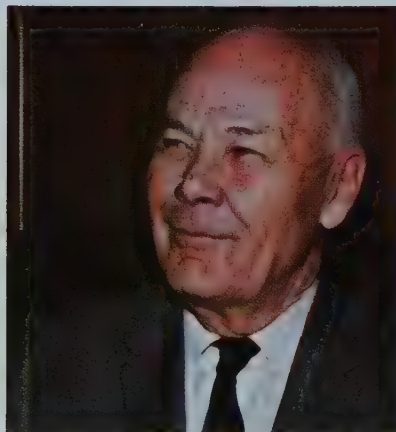
Revelstoke's management realizes that a company does not automatically attract and retain the best possible people without devoting a tremendous amount of attention to the many small things that mean a great deal to everyone. In many respects, this is just as important as providing people with unique opportunities for personal satisfaction and advancement in their association with Revelstoke.



Otto Frey, Dennis Bailey and Dennis Simmans discussing operations in Manitoba and Saskatchewan with Dave Dupont.



Craig Parr reviewing copy with Karen Reid, Betty Marchuk, and Joanne Dicarolo in the Advertising Department.



Brett F. Sine, Chairman of the Board of Directors, President of the Company from 1956 to 1971.



Ralph Reynolds, Frank Fortin, Garry Leithead, Dale Brett, Jim Wardrope, Geoff Peter and Art Reynolds get together to discuss the Company's lumber business.



Eleanor Boyce, Jim Gavan, Dan Finley and Dale Shurvell working in Revelstoke's Data Processing Centre.



Nick Dowhaniuk, Sig Neufeld, Ed Perrault and Debbie Bell reviewing a blueprint in the Revy Homes Department.



Bob Owen, Henry Novakowski, Albert Kieboom, Keith Pointer and Lionel Dobson in the Purchasing Department.

Throughout the Company, we try to pay an equitable salary or wage, offer comprehensive benefit plans for our employees and their families, and recognize superior individual effort and performance. Wherever possible, we also attempt to promote from within the Company and provide our employees with effective training programs. Especially in the case of our retail business, we are encouraging our female employees to play a more active role in what has been a traditionally male-oriented industry.

To observe the foregoing principles, however, is not enough. To be a leader in our industry and to have our Company achieve its full potential, management's biggest challenge becomes instilling enthusiasm, drive and spirit in our people and motivating them to "make it happen." In essence, everyone in our Company is in partnership with the shareholders and, if Revelstoke succeeds, they must participate in the benefits of this success.



Winners of the 1974 Manager of the Year Awards for Alberta and British Columbia: Bob Alexander, Warren Hanna and Murray Kipling.

EMPLOYEE SAVINGS & STOCK PURCHASE PLAN

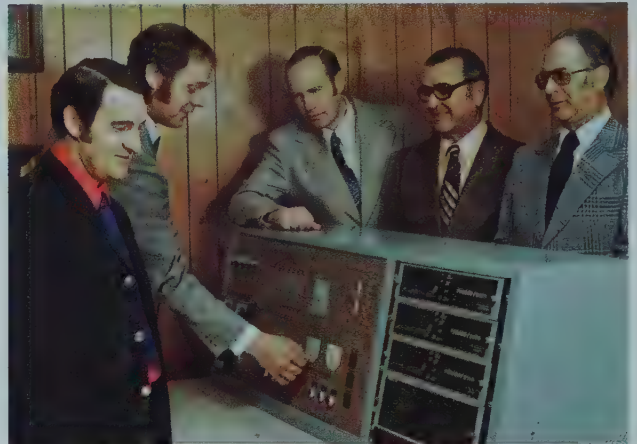
In 1973 Revelstoke initiated an Employee Savings and Stock Purchase Plan, giving salaried employees the opportunity to purchase the Company's common shares on a basis whereby for every \$2 contributed by employees to the plan, the Company contributes \$1. The plan is administered by a Trust Company which purchases the shares through the Toronto Stock Exchange. The purpose of the plan is to encourage as many employees as possible to become shareholders of the Company and thereby gain further benefits from the future success of Revelstoke. Approximately 50% of all eligible salaried employees are currently participating in the plan.

MANAGEMENT

Revelstoke is characterized by a highly personal style of management as opposed to having a rigidly structured and formal organization. In general, management attempts to push the responsibility for decision-making as close as possible to the individuals managing the



Terry Tully, Hank Greke and Bob Molle reviewing Alberta store locations with Lyle English and Mike Lopachuk.



Cy Jolie, Dale Clowes, Art Risdahl, Howard Sells and Emile Dupont testing the new automated batching equipment for the Calgary concrete plant.



Michael Ogburn and Don Clark reviewing monthly operating statements with Bill Walter and George Eldridge.



Ted Hanson discussing interior store decors with Gary Lyseng, Bonnie Peever and Gloria Buehler of the Store Design Department.



Brian Harris meeting with Kathy McAlister and Jim Franssen of the Credit Department.



Winners of the 1974 Manager of the Year Awards for Saskatchewan and Manitoba: Ev Truelove, Gerry Hanover, Dan Bereza and Glen Stinson.



Stewart & Hudson's management consists of Jim Anderson, Geoff Stewart (Chairman) and Geoff Singleton.

Company's operations on "the scene of the action." To a large extent, the success of Revelstoke is based on our ability to react to local conditions and markets. By delegating and decentralizing management responsibilities wherever possible, we create more opportunities for meaningful positions in the Company and avoid attempting to have most of the decisions made by a few "wise men" at the head office. On the other hand, with this type of management, the people in our Company must not be afraid of making mistakes but must view them as part of developing good judgment.

HAVING FUN

Our Company is convinced that a major part of every employee's relationship with Revelstoke should be having fun. Not only should our people gain a sense of satisfaction from a job well done, but we also believe that it is very important for the members of our Company to have fun together at regularly held social functions such as bonspiels, family picnics and dances. At such events it is hoped that the husbands, wives and children of our employees will also feel a part of "the Revelstoke family."

Our Company Officers



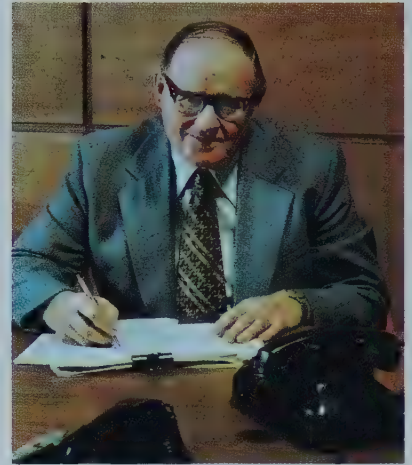
STEELE CURRY

President. Joined Revelstoke in that position in 1971 after being with Triarch Corporation Limited, The T. Eaton Company, and Development Research Associates. Received M.B.A. from Harvard University in 1964, B.A. from Stanford University in 1962. Age 34.



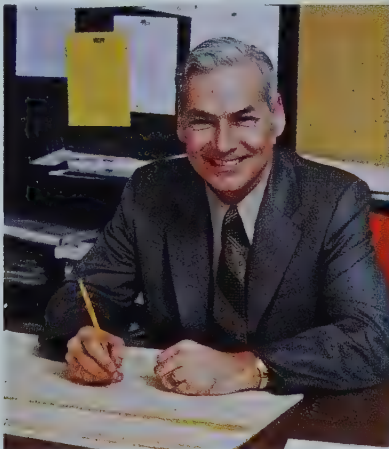
GERALD A. BERKHOLD

Vice President Operations. Joined Revelstoke in that position in 1972 after being with Triarch Corporation Limited and The Canadian Imperial Bank of Commerce. Received B.Comm. from the University of Alberta in 1960. Age 36.



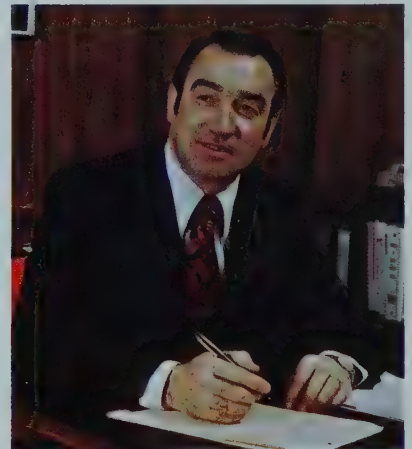
JOHN B. HALL

Vice President Lumber Trading. Responsible for selling lumber produced by the Lumber Division and purchasing lumber required by the Retail Division. Joined Revelstoke in 1938, appointed Vice President in 1960. Age 59.



KEITH A. C. McDOWELL

Vice President and Secretary Treasurer. Joined Revelstoke in 1955, appointed Secretary Treasurer in 1961 and Vice President in 1968. C.A. Age 47.



VICTOR R. ROSKEY

Vice President Merchandising. Responsible for advertising, new store development, purchasing and other merchandising functions in the Retail Division. Joined Revelstoke in 1948, appointed Vice President in 1974. Age 43.

Five Year Financial Review*

	1974	1973	1972	1971	1970
Total Sales	\$80,343,318	\$63,170,831	\$42,808,839	\$31,866,424	\$29,338,601
Operating Earnings	\$ 4,842,936	\$ 6,386,970	\$ 3,000,066	\$ 1,419,945	\$ 203,508
Minority Interest	23,277	17,081	14,119	3,548	7,755
Income Taxes	2,384,540	3,037,743	1,444,563	652,494	122,019
Net Operating Earnings	2,435,119	3,332,146	1,541,384	763,903	73,734
Extraordinary Items	—	—	—	—	1,789,217
Net Earnings	\$ 2,435,119	\$ 3,332,146	\$ 1,541,384	\$ 763,903	\$ 1,862,951
Cash Flow	\$ 3,907,694	\$ 5,364,260	\$ 2,970,012	\$ 2,074,069	\$ 2,758,718
Operating Earnings Per Share	1.21	1.77	.79	.35	(.03)
Total Earnings Per Share	1.21	1.77	.79	.35	.96
Cash Flow Per Share	2.04	2.96	1.65	1.15	1.53
Dividends Per Common Share20	.17	.14	.07	.13
Shareholders' Equity	20,053,729	18,126,836	15,501,854	14,263,382	13,770,936
Working Capital	10,130,895	10,048,005	6,524,107	7,178,685	8,417,831
Long Term Debt	3,991,320	4,913,757	3,212,366	2,227,453	2,680,403
Total Assets	49,692,146	43,569,418	33,558,810	24,470,987	22,245,971
Current Assets to Current Liabilities	1.41	1.49	1.44	1.90	2.42
Equity Capital to Long Term Debt	5.02	3.69	4.83	6.40	5.14
Common Shares Outstanding	1,918,515	1,910,015	1,800,015	1,800,015	1,800,015
Number of Common Shareholders	906	760	735	901	964
Price Range of Common Shares - High	\$13.13	12.88	7.88	5.50	4.50
- Low	\$ 5.00	7.63	4.50	3.00	2.67

* Earnings per share figures are calculated after deducting preferred dividends and using the weighted average number of shares outstanding during the year.

Certain 1973 and prior years' figures have been restated to conform with 1974 presentation.

General Company Information

BOARD OF DIRECTORS

Gerald A. Berkhold
Vice President of the Company
Calgary, Alberta

Peter J. M. Bloemen
President
Trucena Investments Limited
Toronto, Ontario

Arthur J. E. Child
President
Burns Foods Limited
Calgary, Alberta

Steele Curry
President of the Company
Calgary, Alberta

Neil B. Ivory
President
Pembroke Management Ltd.
Montreal, Quebec

Allan E. Jenner
General Manager
Citicorp Venture Capital Canada Ltd.
Toronto, Ontario

David E. Mitchell
President
Alberta Energy Company Ltd.
Calgary, Alberta

John E. Sands, C.A.
Vice President
Trucena Investments Limited
Toronto, Ontario

John L. Schlosser
President
Tri-Jay Investments Ltd.
Edmonton, Alberta

Brett F. Sine
Chairman of the Board of the Company
Calgary, Alberta

Arthur J. Vincent
President
Smith, Vincent & Co. Ltd.
Winnipeg, Manitoba

OFFICERS

Steele Curry
President

Gerald A. Berkhold
Vice President
Operations

John B. Hall
Vice President
Lumber Trading

Keith A. C. McDowell, C.A.
Vice President and Secretary Treasurer

Victor R. Roskey
Vice President
Merchandising

REGIONAL MANAGERS

David A. Dupont
Manitoba / Saskatchewan

Robert J. Molle
Alberta / British Columbia

DISTRICT MANAGERS

Lyle P. English
Edmonton / Calgary

Otto A. Frey
Saskatchewan

Henry B. Greke
Central Alberta

Michael G. Lopachuk
Northern Alberta

Dennis W. Simmans
Manitoba

R. Terry Tully
Southern Alberta

REVV HOMES MANAGERS

Dennis G. Bailey
Manitoba / Saskatchewan

Edward J. Perrault
Alberta

DEPARTMENT MANAGERS

Donald A. Clark
Controller

Lionel E. Dobson
Manager
Merchandising

George A. Eldridge
Office Manager

James P. Franssen
Manager
Credit

James J. Gavan
Manager
Systems

Ted W. Hanson
Manager
Marketing

Brian A. Harris
Manager
Accounting

Albert Kieboom
Manager
Floor Covering

Henry J. Novakowski
Manager
Plumbing, Heating & Electrical

Michael L. Ogburn
Manager
Inventory Control

Robert J. Owen
Manager
Building Materials

Craig E. Parr
Manager
Advertising

Edward K. Schafer
Chief Engineer

Howard M. Sells
Manager
Concrete
Production & Equipment

William I. Walter
Internal Auditor

MILL MANAGEMENT

Frank R. Fortin
General Manager
Lumber Division and Manager
Radium, B.C.

Garry R. Leithead
Chief Forester
Alberta Mills

Geoff C. Peter
Manager
Sentinel, Alberta

Arthur C. Reynolds
Manager
Whitcourt, Alberta

Ralph W. Reynolds
Manager
Rocky Mountain House, Alberta

James A. Wardrope
Manager
Sundre, Alberta

STEWART & HUDSON LTD.

Geoffrey J. Stewart
Chairman

James W. Anderson
General Manager

Ervin H. Buck
District Manager

Geoffrey Singleton
Manager
Victoria

John Wingert
Manager
Equipment & Premises

Our Company Objectives

- To develop an organization which continually seeks to maximize the satisfaction of our customers through understanding their needs, tastes and problems.
- To achieve a rising level of profitability and earnings per share.
- To create an environment that stimulates personal development and fulfillment for the members of the Company.
- To participate in industries and markets which should experience substantial above-average growth.
- To maintain a close watch over ever-changing market and competitive conditions.
- To add as much value as possible to the products and services that we provide our customers.
- To demonstrate entrepreneurship, leadership and high standards in all areas of corporate activity.
- To strive for excellence as opposed to imitating others and accepting how things were done in the past without question.
- To support community affairs wherever we are active on a basis consistent with the size of our Company.
- To have fun.

History Of Revelstoke

Revelstoke began as a sawmill operation in Revelstoke, British Columbia in 1903. The Company opened its first retail lumber yard on the prairies in 1906 to provide an outlet for its mill products, and subsequently opened additional lumber yards throughout the prairie provinces. To ensure an adequate supply of lumber for these retail outlets, Revelstoke acquired and built additional lumber mills in Alberta and British Columbia. In 1912 the Company moved its Head Office from Revelstoke to Calgary, Alberta. In 1952 Revelstoke entered the concrete business in order to offer a complete building service to our customers. The name of the Company was changed in 1972 from Revelstoke Building Materials Limited to Revelstoke Companies Ltd.

HEAD OFFICE

Revelstoke Companies Ltd.
Box 2501
508 - 24th Ave. S.W.
Calgary, Alberta T2P 2N2
Phone (403) 266-6071

AUDITORS

Price Waterhouse & Co.
Chartered Accountants

PARENT COMPANY INCORPORATION

Province of Alberta, Canada

TRANSFER AGENTS AND REGISTRARS

Common Shares

Montreal Trust Company
Calgary, Toronto, Montreal and Vancouver

Preferred Shares and Trustees for Debentures

Canada Permanent Trust Company
Calgary, Toronto, Montreal and Vancouver

LISTING OF COMMON AND PREFERRED SHARES

The Toronto Stock Exchange

PRINCIPAL SUBSIDIARY COMPANIES AND % OF OWNERSHIP

Revelstoke Home	
Centres Ltd.	100%
Revelstoke - Lafarge	
Ltd.	85%
Revelstoke Sawmill	
(Radium) Ltd.	100%
Stewart & Hudson	
Ltd.	100%

ANNUAL MEETING

The Annual Meeting of
Shareholders will be held at the
Palliser Hotel, 133 - 9th
Avenue S.W., Calgary, Alberta
on May 29, 1975 at 10 a.m.

